

State of Delaware



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Department of Insurance

AUTO BULLETIN NO. 4

SALVAGED OR JUNKED VEHICLES

Original No. 78-2
Adopted February 2, 1978
Amended April 15, 1992

A law enacted in 1974 requires owners of salvaged or junked vehicles to surrender the certification of title on such vehicles to the State of Delaware Department of Public Safety, Motor Vehicle Division.

We have determined that some insurance companies are not complying with the statute.

I am attaching a copy of the Motor Vehicle Division's Regulation and Procedure dated April 28, 1976, and request that if you are not now in compliance, to make arrangements to do so immediately.

Attachment follows:

**STATE OF DELAWARE - MOTOR VEHICLE DIVISION -
DEPARTMENT OF PUBLIC SAFETY**

April 26, 1976

Regulations on -- Salvaged Vehicles, Scrapped Vehicles, Junked Vehicles,
Rebuilt Vehicles, Dismantled Vehicles as Required by
Title 21 Delaware Code

Section 1. Responsibilities of vehicle owners when a vehicle is scrapped or dismantled beyond repair (Section 2512, Title 21).

"Whenever a motor vehicle for which a title has been issued by a Delaware Motor Vehicle Division, whether such vehicle is registered or unregistered, is scrapped, permanently dismantled, damaged or destroyed beyond repair or otherwise made permanently unusable as a motor vehicle the owner thereof within 30 days shall remove the registration plate and shall immediately give or send plate and the certificate of title to the Motor Vehicle Division for cancellation."

"The Department shall upon receipt of the certificate of title, issue and send to the owner a non-negotiable receipt for the vehicle described on the certificate of title. Such non-negotiable receipt shall be deemed to meet all State proofs of ownership requirements."

Procedures to be followed:

- (a) If the owner scraps, permanently dismantles, damages or destroys a vehicle, and there is no settlement with an insurance company on the basis of total loss, the owner must comply with the requirements under Section 1 above.
- (b) When an insurance company as a result of having paid a total loss claim acquires a certificate of title to a vehicle and obtains possession or control of the vehicle for any cause other than theft, such company must comply with the requirements under Section 1 above.
- (c) Within 30 days of a theft of a vehicle, if an insurance company has acquired a certificate of title to a vehicle and obtains possession of the vehicle in settlement of a theft loss claim, and upon recovery of the vehicle it is determined that the vehicle has been damaged to an extent that it would be considered a total loss under the provisions of comprehensive and collision insurance, such insurance company must comply with the requirements of Section 1 above.
- (d) Whenever any owners sells or transfers a vehicle, whether registered or unregistered, which is considered to be scrapped, permanently dismantled, damaged or destroyed beyond repair or otherwise made permanently unusable as a vehicle, such owner shall comply with the requirements under Section 1 above.
- (e) Whenever any vehicle, whether registered or unregistered, is acquired, either from in state or from another state, and the vehicle was purchased as salvage, junked or dismantled, the purchaser must comply with the requirements under Section 1 above. However, if the seller of the vehicle has complied with those requirements, and the new purchaser has in his possession a non-negotiable receipt for a salvage vehicle, no further requirements are necessary.

Section 2. Procedures to follow when a junked vehicle (for which a non-negotiable receipt has been issued) is sold to another party:

- (a) Assign the non-negotiable receipt for a salvage vehicle on the reverse side to the purchaser.
- (b) Purchaser must retain non-negotiable receipt at the office or location where vehicle is maintained.

Section 3. Procedures to follow if the junked vehicle is to be retitled or re-registered:

- (a) Vehicle must be inspected by Delaware State Police Auto Unit. Non-negotiable receipt must be presented.
- (b) Vehicle must pass safety inspection at Motor Vehicle Division Inspection Lane.
- (c) Vehicle will be retitled as the original manufacture and year for which it was previously titled, unless, the Auto Theft Unit determines that enough different components have been used to classify it as an assembled vehicle.
- (d) When the new Delaware certificate of title is typed, the word RECONSTRUCTED will be entered in the "use" block on the face of the title.

Section 4. Fees:

- (a) If a non-negotiable receipt (salvage title) is desired, there is a fee of \$15.00 to be paid at the time of application.
- (b) If owner submits the title as being junked, salvaged, etc., and there is no further need of a non-negotiable receipt (salvage title), the Motor Vehicle Division will send a letter to the owner acknowledging receipt of the title and tag. There is no fee for this. However, this vehicle can never be titled again. The letter must be maintained on file and produced upon request by any authorized agent of the Motor Vehicle Division or law enforcement agency.

(Revised from November 1, 1975).

**DONNA LEE H. WILLIAMS
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